

**MINUTES
ROCKFORD POLICE PENSION BOARD
APRIL 17, 2014**

MEMBERS PRESENT: Jeff Nielsen, President
Marcia Mueller, V.P.
Matt Williams, Secretary
Mike McDonald, Assist Secretary
Scott Laue, Trustee

ABSENT:

ALSO PRESENT: Roberta Holzwarth - Holmstrom & Kennedy
Mike Piotrowski – Marquette Associates

GUESTS:

STAFF: Ted Dutkiewicz, Finance
Linda Wlaznik, Finance

The April 17, 2014 Rockford Police Pension Board convened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order at 8:06 am.

Motion by Mueller and seconded by Laue to approve the March 20, 2014 minutes of the Board meeting pending changes noted. APPROVED.

Motion by Mueller and seconded by Laue to table the March 20, 2014 minutes of the Joint Board meeting for clarification. APPROVED.

PUBLIC COMMENT

NONE

CASH & INVESTMENT REPORT

Piotrowski stated that the fund was slightly under \$174,000,000. Most of the major asset classes are in line with the policy benchmark. The fund was up 50 basis points. Piotrowski reported that he had spoken with the manager of Kayne Anderson regarding their performance. Piotrowski explained that beta is a measure of risk or volatility. Stocks with a beta greater than 2 were positive 3.1%; stocks with a beta of 0.5 to 1 were flat. Kayne Anderson's portfolio has a beta of approximately 0.6 to 0.7. Kayne Anderson has agreed to lower the fee schedule by 10 basis points.

Motion by Mueller and seconded by Laue to approve Kayne Anderson fee schedule of .9% on the first \$25M of investments, .8% thereafter. This is a reduction of 10 basis points from the current fee schedule. APPROVED.

Motion by Mueller and seconded by Laue to approve withdrawal of \$260,000 from Dimensional Fund Advisors International Small Cap Value Fund and \$200,000 from Vanguard REIT Fund for cash needs. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve purchases and sales. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

CITY BILLS

Motion by Mueller and seconded by Laue to approve April City Services of \$9,933.33. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve March postage charges of \$399.57. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for March attorney fees for general in the amount of \$1,957.50. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for March attorney fees for the Ahrens disability matter in the amount of \$13,567.50, which includes services in the amount of \$1,957.50 and disbursements in the amount of \$11,610.00. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy P.C. for March attorney fees for the Statler disability matter in the amount of \$2,310.00 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Northern Trust for Investment Management fees for the period January 1, 2014 through March 31, 2014 in the amount of \$5,761.78. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve the payment of the sponsored IPPFA Regional Seminar in the amount of \$75.00. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

ATTORNEY'S REPORT

Attorney Holzwarth stated that the Ahrens disability hearing is scheduled for April 30th. The Statler disability hearing is scheduled for May 14 at 9:00 a.m.

Attorney Holzwarth emailed a draft policy manual detailing the recoupment of pension overpayments. The policy describes two sets of circumstances: one where the discovery is a result of fraud or misrepresentation, and the second the result of an error, but ultimately proven to be a wrong decision. Attorney Holzwarth recommended recouping the money as quickly as possible when due to fraud or misrepresentation. In cases where the overpayment is due to error, whether by the pensioner or the pension board; the overpayment would be recouped over time and without interest.

Motion by Mueller and seconded by Laue to approve the policy manual regarding recoupment of overpayments with an interest rate of 7.5%. APPROVED.

OLD BUSINESS

Retired trustee election results:

Jeff Nielsen	120 votes
Dan Gray	40 votes

Motion by Mueller and seconded by Williams to approve the retired trustee election of Jeff Nielsen to the Police Pension Board. APPROVED.

NEW BUSINESS

The City appealed the arbitrator's decision to return Oda Poole to work.

Motion by Mueller and seconded by Williams to approve the retirement pension of Jeffrey Schelling in the amount of \$4,549.18. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Williams to approve refund of contributions of Nathan Szewczyk in the amount of \$3,585.28. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Nielsen, Laue, and Williams have completed their economic disclaimers.

PAYROLL

Motion by Mueller and seconded by Laue to approve the April estimated payroll amount of \$1,207,164.47. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

A motion to adjourn was made and seconded at 9:29 a.m.

A handwritten signature in blue ink, appearing to be "M. J. [unclear]", written diagonally.